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USIB-D-16.2/47
24 May 1961

UNITED STATES INTELLIGENCE BOARD

Validity Study on NIE 31-57

Yugoslavia's Policies and Prospects

dated 11 June 1957

The attached Validity Study of NIE 31-57 was approved by the Intelligence Board on 23 May 1961 (USIB-M-156, item 12.b.).



Executive Secretary

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Considering that, at the time this estimate was written four years ago, both the internal and external policies of Yugoslavia were in a phase of sharp transition, the main propositions of the estimate have held up surprisingly well. Its basic view, that the regime would remain politically stable and would maintain its independent foreign policy, is repeated in NIE 15-61. The estimate correctly foresaw that Yugoslavia would seek long-term developmental aid from the US and Western Europe, and would seek closer ties with Western economic organizations. It was also correct in predicting that the attempt at rapprochement with the USSR which developed in 1955-1956 would not be revived, and that "substantial" Soviet concessions to Yugoslav ideas of national independence would be required before this could occur. It also correctly foresaw that Tito would make an effort to cultivate the leaders of the "Afro-Asian bloc".

The estimate was weakest in its appraisal of the economic outlook. Though it predicted that living standards would rise somewhat, it did not foresee the remarkable success the Yugoslavs would have in overcoming the stagnation of their agriculture and in achieving a very high rate of advance in industrial output. Consequently, the estimate also failed to foresee the decline in popular hostility to the regime which has resulted largely from the sharp improvement in living standards.

In foreign policy, the estimate did not foresee the extent of Yugoslav effort in the underdeveloped countries, or the importance of this effort in relation to general Yugoslav foreign policy. It incorrectly predicted that Yugoslavia would continue to cultivate "special" ties with Communist China and Poland, and did not foresee either the great disenchantment which occurred in Belgrade toward the latter, or the sharp reversal which occurred in Peiping's attitude toward Belgrade.

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